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RUEHBJ/AMEMBASSY BEIJING 0842
RUEHKO/AMEMBASSY TOKYO 0716
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C O N F I D E N T I A L ASHGABAT 001272

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STATE FOR SCA/CEN, EEB, IO

E.O. 12958: DECL: 11/23/2017

TAGS: [EFIN](#) [PREL](#) [TX](#)

SUBJECT: UNDP BRINGS FORMER CZECH ECONOMY MINISTER TO
CONSULT ON TURKMENISTAN'S ECONOMY

REF: ASHGABAT 1251

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (B) and (D).

[1](#)1. (C) In October, the Government of Turkmenistan requested UNDP assistance with economic reform in the following areas:

- Microeconomic regulations
- Private sector development
- State property management
- Training and certification of state employees
- International accounting standards (this is already in progress).

Although UNDP is not interested in working in all areas -- in part because it believes that some organizations can do the job better -- it brought in Zdenek Drabek, former Czech Minister of Economy, to explore areas of possible cooperation.

[1](#)2. (SBU) Econoff and USAID met November 21 with Drabek in order to better understand UNDP's plans for responding to Turkmenistan's request for economic policy advice. During the meeting, Drabek seemed largely uninformed about Turkmenistan, at one point characterizing the Central Bank as a "financial institution" that offers farmers loans. (NOTE: Drabek probably confused the Central Bank with the Dayhan Bank. While both are government institutions, the Central Bank is responsible for financial policy and bank oversight. END NOTE.) He did say, however, that his future engagement in Turkmenistan hinges on UNDP funding.

[1](#)3. (C) COMMENT: Perhaps because of its status as an international organization, UNDP has been deluged by government requests for reform assistance and has had good progress regarding cooperation with the Turkmenistan government in the area of human rights. UNDP appears to be scrambling to fulfill some of these assistance requests. The word on the street is that UNDP is low on funding, so for now, Drabek's return to Turkmenistan appears unlikely. END COMMENT.

